

**HOUSING AUTHORITY OF
JEFFERSON PARISH
Marrero, Louisiana**

**Annual Financial Report
September 30, 2005**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6-14-06

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1
REQUIRED SUPPLEMENTARY INFORMATION:	
Management's Discussion and Analysis	3
BASIC FINANCIAL STATEMENTS:	
PROPRIETARY FUNDS:	
Statement of Net Assets	8
Statement of Revenues, Expenses, and Changes in Fund	
Net Assets	10
Statement of Cash Flows	12
Notes to the Financial Statements	16
SUPPLEMENTAL INFORMATION:	
HUD Financial Data Schedule - Statement of Net Assets Data by Fund	27
HUD Financial Data Schedule - Revenues and Expenses Data by Fund	32
Compensation Paid to Board Members	37
SINGLE AUDIT SECTION:	
Independent Auditor's Report on Internal Control Over Financial Reporting	
and on Compliance and Other Matters Based on an Audit of the Financial	
Statements Performed in Accordance with <i>Government Auditing</i>	
Standards	38
Independent Auditor's Report on Compliance with Requirements Applicable	
to Each Major Program and on Internal Control Over Compliance in	
Accordance with OMB Circular A-133	40
Schedule of Expenditures of Federal Awards	42
Notes to the Schedule of Expenditures of Federal Awards	43
Schedule of Findings and Questioned Costs	44
Summary Schedule of Prior Audit Findings	46
Management's Corrective Action Plan.....	47

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

CONSULTANTS

A PROFESSIONAL CORPORATION

3501 N. Causeway Blvd. • Suite 810 • P.O. Box 6952 • Metairie, LA 70009
Phone (504) 837-9116 • Fax (504) 837-0123 • E-mail prebowe@rebowe.com

INDEPENDENT AUDITOR'S REPORT

**Board of Commissioners
Housing Authority of Jefferson Parish
Marrero, Louisiana**

We have audited the accompanying financial statements of the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Housing Authority of Jefferson Parish (the "Housing Authority") as of and for the year ended September 30, 2005, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Housing Authority as of September 30, 2005, and the respective changes in financial position and cash flows there of for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2006, on our consideration of the Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results

of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in accessing the result of our audit.

The Management's Discussion and Analysis on pages 3 through 7 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority's basic financial statements. The Supplemental Schedules on pages 27 through 37 are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Also, the accompanying Schedule of Expenditures of Federal Awards which is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Rebowe & Company

May 12, 2006

REQUIRED SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2005

Our discussion and analysis of the Housing Authority of Jefferson Parish financial performance provides an overview of the Housing Authority's financial activities for the fiscal year ended September 30, 2005.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A to provide a more meaningful comparative analysis of the financial data to be presented.

FINANCIAL HIGHLIGHTS

Total spending for all programs was approximately \$17 million for the year ended September 30, 2005. Rentals and interest funded \$388 thousand of this amount, with the Department of Housing and Urban Development ("HUD") grants and subsidies funding the balance. The public housing subsidy, listed in the conventional program, provided by HUD for the year ended September 30, 2005 was increased from \$552,726 to \$655,128 (19 %) over the prior year.

The largest public housing expense for the Housing Authority was the utility cost of \$236,982, which represented approximately 23% of the total expenditures for public housing included in the conventional program. The utility expense also decreased \$94,018 (28%) from the prior year.

Public Housing Authorities (PHAs) annual budgets for 2005 are determined based on mandated procedures that serve to determine every PHAs total and final funding amount for vouchers and administrative fees in 2005. The budget is based on a calendar year.

Residential Housing Development Corporation (RHDC) is a non-profit entity established by resolution of the Housing Authority of Jefferson Parish. It presently has three Housing Authority Board members serving as officers. RHDC entered a contract dated April 20, 2004 with Jefferson Parish Department of Community Development. The contract referred to as the Home Investment Partnership Program (HOME) is an agreement to construct ten (10) homes utilizing block grant funds.

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
September 30, 2005

USING THIS ANNUAL FINANCIAL REPORT

The Housing Authority's annual financial report consists of financial statements that report information about the Housing Authority's most significant enterprise funds, such as the Housing Authority's Public Housing, Capital Fund Program, and Housing Choice Vouchers Program.

An outline of the Annual Financial Report's contents is as follows:

- I. Independent Auditor's Report
- II. Required Supplementary Information
 - A. Management's Discussion & Analysis (MD&A)
- III. Basic Financial Statements
- IV. Notes to the Financial Statements
- V. Supplemental Information
 - A. Financial Data Schedule
 - B. Schedule of Compensation Paid Board Members
- VI. Single Audit Section

Our auditor has provided assurance in their independent auditor's report on pages 1 and 2 that the Basic Financial Statements are fairly stated. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Financial Report.

Reporting the Housing Authority's Most Significant Funds

The Housing Authority's financial statements provide detailed information about the most significant funds. Some funds are required to be established by HUD. However, the Housing Authority establishes other funds to help it oversee and demonstrate adequate management of money for particular purposes or to show that it is meeting legal responsibilities for using grants and other monies required by regulatory agencies. All Housing Authority funds are proprietary funds.

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of proprietary funds is on income measurement, which, together with the maintenance of equity, is an important financial indication. The operating results are presented in the Statement of Revenues, Expenses, and Changes in Fund Net Assets and the changes in cash are reflected in the Statement of Cash Flows.

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
September 30, 2005

FINANCIAL ANALYSIS

The Housing Authority's net assets were \$3.3 million at September 30, 2005.

As we noted earlier, the Housing Authority uses funds to help it oversee and demonstrate adequate management of money for particular purposes. Separate funds are established to account for Public Housing Capital Expenditures and Section 8 Housing Choice Vouchers Program. The following analysis focuses on the net assets and the change in net assets of the Housing Authority as a whole.

Table 1
Net Assets
September 30

	<u>2005</u>	<u>2004</u>
Current assets	\$ 1,689,844	\$ 1,309,610
Capital assets, net	<u>2,260,692</u>	<u>2,048,843</u>
Total assets	<u>3,950,536</u>	<u>3,358,453</u>
Current liabilities	410,002	327,478
Noncurrent liabilities	<u>222,873</u>	<u>206,427</u>
Total liabilities	<u>632,875</u>	<u>533,905</u>
Net Assets		
Invested in capital assets, net of related debt	2,260,692	2,048,843
Restricted	1,436	609
Unrestricted (deficit)	<u>1,055,533</u>	<u>775,096</u>
Total net assets	<u>\$ 3,317,661</u>	<u>\$ 2,824,548</u>

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
September 30, 2005

Table 2
Changes in Net Assets
Year Ended September 30

	<u>2005</u>	<u>2004</u>
Revenues/capital contributions:		
Operating revenues		
Rental and other	\$ 351,156	\$ 473,635
Nonoperating revenues		
Interest earnings	27,035	10,111
Federal grants and subsidies	16,952,871	17,180,746
Portability income	27,883	828
Other receipts - non-tenant	100,592	874
Gain on sale of fixed assets	-	750
	<u>17,459,537</u>	<u>17,666,944</u>
Total revenues		
Expenses		
Operating Expenses		
Administration	2,227,721	2,309,371
Tenant services	25,281	11,542
Utilities	236,982	331,000
Ordinary maintenance and operations	207,380	214,203
General expenses	119,317	122,530
Housing assistance payments	13,991,513	14,587,523
Depreciation	158,230	340,041
	<u>16,966,424</u>	<u>17,916,210</u>
Total Operating Expenses		
Increase (decrease) in net assets	<u>\$ 493,113</u>	<u>\$ (249,266)</u>

Total revenues decreased by approximately \$207,000 or 1%. Dwelling Income decreased by approximately \$122,000 or 26%. Funding for the Section 8 Housing Choice Vouchers program remained relatively stable for FYE 9/30/05 even though regulatory announcements created uncertainty for the industry. Operating expenses remained stable for September 30, 2005.

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
September 30, 2005

CAPITAL ASSETS

At September 30, 2005, the Housing Authority had \$2.3 million invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net increase (including additions, deductions and depreciation) of \$211,849, or 10% from last year.

Capital Assets at September 30

	<u>2005</u>	<u>2004</u>
Land	\$ 1,546,294	\$ 1,546,294
Buildings	366,031	366,031
Building Improvements	684,154	613,840
Furniture and Equipment	98,218	83,481
	<hr/>	<hr/>
Subtotals	2,694,697	2,609,646
Less Accumulated Depreciation	(434,005)	(560,803)
	<hr/>	<hr/>
Fixed Assets, Net	<u>\$ 2,260,692</u>	<u>\$ 2,048,843</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by the federal budget via appropriations rather than by local economic conditions.

<u>Management Program</u>	<u>Frequency of Budgets</u>
PHA Owned Housing	Annual
Capital Fund	Annual
Housing Choice Vouchers Program – Main Stream 5 Yr.	Annual
Special Allocation – Jefferson Place	Annual
New Construction – Concordia	Annual

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Housing Authorities finances for all those with an interest in the Housing Authorities finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Housing Authority of Jefferson Parish, 1718 Betty Street, Marrero, Louisiana 70072.

BASIC FINANCIAL STATEMENTS

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana
STATEMENT OF NET ASSETS
September 30, 2005

	Business-type Activities - Enterprise Funds					Component Unit
	Conventional Program	Housing Vouchers	Jefferson Place	Other Enterprise	Total	
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 218,349	\$ 779,022	\$ 98,115	\$ 175,807	\$ 1,271,293	\$ 63,927
Accounts Receivable from Tenants, Net of Allowance of (\$1,823)	109	-	-	-	109	-
Restricted Cash	120,684	110,221	-	16,719	247,624	-
HUD Receivable	31,815	45,227	-	-	77,042	-
Other Receivables	235	11,606	502	-	12,343	460
Advances to Other Funds	17,912	11,480	-	121	29,513	-
Prepaid Insurance	51,920	-	-	-	51,920	-
Total Current Assets	441,024	957,556	98,617	192,647	1,689,844	64,387
CAPITAL ASSETS						
Capital Assets not being depreciated	1,546,294	-	-	-	1,546,294	58,171
Capital Assets (net of accumulated depreciation)	226,519	-	-	487,879	714,398	-
Total Capital Assets, Net	1,772,813	-	-	487,879	2,260,692	58,171
Total Assets	2,213,837	957,556	98,617	680,526	3,950,536	122,558

(Continued)

HOUSING AUTHORITY OF JEFFERSON PARISH
Martero, Louisiana
STATEMENT OF NET ASSETS (CONTINUED)
September 30, 2005

	Business-type Activities - Enterprise Funds				Component Unit
	Conventional Program	Housing Vouchers	Jefferson Place	Other Enterprise	
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable and Accrued Expenses	\$ 27,667	\$ 130,508	\$ 1,153	\$ 10,082	\$ 169,410
Advances from Other Funds	3,621	1,072	3,480	21,340	29,513
Due to HUD	-	50,695	81,758	43,943	176,396
Compensated Absences Payable	18,911	772	-	-	19,683
Tenant Deposits Held in Trust	15,000	-	-	-	15,000
Total Current Liabilities	65,199	183,047	86,391	75,365	410,002
NON CURRENT LIABILITIES					
Deferred Revenue	-	-	-	-	125,191
FSS Escrow Liability	113,410	109,463	-	-	222,873
Total Non current Liabilities	113,410	109,463	-	-	222,873
Total Liabilities	178,609	292,510	86,391	75,365	632,875
NET ASSETS					
Invested In Capital Assets,					
Net of Related Debt	1,772,813	-	-	487,879	2,260,692
Restricted for:					
Capital Fund Expenditures	1,436	-	-	-	1,436
Unrestricted	260,979	665,046	12,226	117,282	1,055,533
Total Net Assets	\$ 2,035,228	\$ 665,046	\$ 12,226	\$ 605,161	\$ 3,317,661
					\$ (2,633)

The notes to the financial statements are an integral part of this statement.

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana

**STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS**
For the Year Ended September 30, 2005

	Business-type Activities - Enterprise Funds					Component Unit
	Conventional Program	Housing Vouchers	Jefferson Place	Other Enterprise	Total	
OPERATING REVENUES						
Dwelling Rental	\$ 303,167	\$ -	\$ -	\$ -	\$ 303,167	\$ -
Excess Utilities	47,989	-	-	-	47,989	-
Total Operating Revenues	351,156	-	-	-	351,156	-
OPERATING EXPENSES						
Administration	355,843	1,457,908	21,317	392,653	2,227,721	-
Other operating expense	-	-	-	-	-	716,160
Tenant Services	25,281	-	-	-	25,281	-
Utilities	236,982	-	-	-	236,982	-
Maintenance	207,380	-	-	-	207,380	-
General Expense	97,951	21,366	-	-	119,317	-
Housing Assistance Payments	-	13,022,726	324,119	644,668	13,991,513	-
Depreciation Expense	108,742	-	-	49,488	158,230	-
Total Operating Expenses	1,032,179	14,502,000	345,436	1,086,809	16,966,424	716,160
Loss From Operations	(681,023)	(14,502,000)	(345,436)	(1,086,809)	(16,615,268)	(716,160)

(Continued)

HOUSING AUTHORITY OF JEFFERSON PARISH

Marrero, Louisiana

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

For the Year Ended September 30, 2005

	Business-type Activities - Enterprise Funds				Component Unit
	Conventional Program	Housing Vouchers	Jefferson Place	Other Enterprise	
NON OPERATING REVENUES					
Federal Grants and Subsidies	\$ 655,128	\$ 14,648,859	\$ 344,371	\$ 1,304,513	\$ 16,952,871
Other Non Operating Receipts	335	-	-	100,257	100,592
Income Portability	-	27,883	-	-	27,883
Interest Income	4,017	18,654	1,123	3,241	27,035
Total Non Operating Revenues	659,480	14,695,296	345,494	1,408,011	17,108,381
Change in Net Assets Before Transfers	(21,543)	193,396	58	321,202	493,113
Transfers In	45,875	-	-	-	45,875
Transfer Out	-	-	-	(45,875)	(45,875)
Change in Net Assets	24,332	193,396	58	275,327	493,113
Net Assets, Beginning of Year	2,010,896	471,650	12,168	329,834	2,824,548
Net Assets, End of Year	\$ 2,035,228	\$ 665,046	\$ 12,226	\$ 605,161	\$ 3,317,661
					\$ (2,633)

The notes to the financial statements are an integral part of this statement.

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana
STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2005

	Business-type Activities - Enterprise Funds	
	Conventional Program	Housing Vouchers
CASH FLOWS FROM OPERATING ACTIVITIES:		
Rental Receipts	\$ 306,242	\$ -
Other Receipts	47,754	-
Payments to Vendors	(788,757)	(1,395,826)
Payments to Employees	(168,373)	(4,562)
Housing Assistance Payments	-	(13,022,726)
Net Cash Used in Operating Activities	(603,134)	(14,423,114)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Federal Grant Income	655,128	14,648,859
Increase in Advances to HUD	-	(45,227)
Non Operating Revenues (Expenses)	16,653	28,011
Increase (Decrease) in Advances from HUD	(31,815)	(61,981)
Net Cash Provided by Non-Capital Financing Activities	639,966	14,569,662
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchases of Capital Assets	(867)	-
Net Cash Used In Capital and Related Financing Activities	(867)	-
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest Income	4,017	18,654
Net Cash Provided by Investing Activities	4,017	18,654
NET INCREASE IN CASH AND CASH EQUIVALENTS	39,982	165,202
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	299,051	724,041
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 339,033	\$ 889,243

(Continued)

Business-type Activities - Enterprise Funds			Component Unit
Jefferson Place	Other Enterprise	Total	Residential Housing Development Corporation
\$ -	\$ -	\$ 306,242	\$ -
-	-	47,754	-
(20,504)	(351,446)	(2,556,533)	(716,160)
-	(22,717)	(195,652)	-
(324,119)	(644,668)	(13,991,513)	-
(344,623)	(1,018,831)	(16,389,702)	(716,160)
344,371	1,304,513	16,952,871	-
-	-	(45,227)	-
-	100,257	144,921	643,550
78,099	14,796	(901)	-
422,470	1,419,566	17,051,664	643,550
-	(369,212)	(370,079)	-
-	(369,212)	(370,079)	-
1,123	3,241	27,035	-
1,123	3,241	27,035	-
78,970	34,764	318,918	(72,610)
19,145	157,762	1,199,999	136,537
\$ 98,115	\$ 192,526	\$ 1,518,917	\$ 63,927

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana
STATEMENT OF CASH FLOWS (CONTINUED)
For the Year Ended September 30, 2005

	Business-type Activities - Enterprise Funds	
	Conventional Program	Housing Vouchers
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:		
Operating Loss	\$ (681,023)	\$ (14,502,000)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) In Operating Activities:		
Depreciation	108,742	-
Gain on disposal of capital assets	-	-
Change in Assets and Liabilities:		
Decrease in Accounts Receivable	3,075	-
Decrease (Increase) in Other Receivables	(235)	20,771
Decrease (Increase) in Advances to Other Funds	(16,245)	860
Decrease in Prepaid Insurance	8,103	-
Increase (Decrease) in Advances from Other Funds	(3,399)	713
Increase (Decrease) in Accounts Payable and Accrued Expenses	(30,928)	56,090
Increase in Tenant Deposits Held in Trust	675	-
Increase in Compensated Absences	8,101	452
Net Cash Used In Operating Activities	\$ (603,134)	\$ (14,423,114)
Classified as:		
Cash and Cash Equivalents	\$ 218,349	\$ 779,022
Restricted cash	120,684	110,221
Totals	\$ 339,033	\$ 889,243

The notes to the financial statements are an integral part of this statement.

<u>Business-type Activities - Enterprise Funds</u>			<u>Component Unit</u>
<u>Jefferson Place</u>	<u>Other Enterprise</u>	<u>Total</u>	<u>Residential Housing Development Corporation</u>
\$ (345,436)	\$ (1,086,809)	\$ (16,615,268)	\$ (716,160)
-	49,488	158,230	-
-	-	-	-
-	-	3,075	-
(502)	-	20,034	-
20	(121)	(15,486)	-
-	-	8,103	-
1,160	17,012	15,486	-
135	1,599	26,896	-
-	-	675	-
-	-	8,553	-
<u>\$ (344,623)</u>	<u>\$ (1,018,831)</u>	<u>\$ (16,389,702)</u>	<u>\$ (716,160)</u>
\$ 98,115	\$ 175,807	\$ 1,271,293	\$ 63,927
-	16,719	247,624	-
<u>\$ 98,115</u>	<u>\$ 192,526</u>	<u>\$ 1,518,917</u>	<u>\$ 63,927</u>

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Housing Authority of Jefferson Parish conform to generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for established governmental accounting and financial principles. The following is a summary of significant policies:

1. REPORTING ENTITY

The Housing Authority of Jefferson Parish was established on April 16, 1953 pursuant to a resolution of the Police Jury of Jefferson Parish and is chartered as a public corporation under the laws of the State of Louisiana (LSA-R.S. 40:391). The Housing Authority of Jefferson Parish (The "Housing Authority") was created to administer funds, through the issuance of bonds and U.S. Department of Housing and Urban Development (HUD) annual contribution contracts to promote decent, safe and sanitary housing for lower-income families that cannot afford standard private housing.

The Housing Authority has a nine-member appointed Board of Commissioners and is headed by an Executive Director. It has the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters. This report includes all funds of the Housing Authority.

As of September 30, 2005, the Housing Authority had the following number of units under its programs:

<u>Management Program</u>	<u>Grant ID No.</u>	<u>Number of Units</u>
PHA Owned Housing	FW-1331	200
CIAP		N/A
Capital Fund		N/A
Section 8 Programs	FW-2054	
Rental Certificates		50
Housing Choice Vouchers		2,692
New Construction -		
Concordia Apartments		130
Special Allocations -		
Jefferson Place Apartments		77

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. REPORTING ENTITY (CONTINUED)

Under the provisions of GASB Statement No. 14 the Housing Authority is considered a primary government. The Housing Authority has a component unit, Residential Housing Development Corporation ("RHDC"), which is presented as a discretely presented component unit.

In determining how to define the reporting entity, management has considered all potential component units. The determination to include a component unit in the reporting entity was made by applying the criteria set forth in Section 2100 and 2600 of the Codification of Government Accounting and Financial Reporting Standards and GASB Statement No. 14. These criteria include manifestation of oversight responsibility; including financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable.

RHDC is included in the reporting entity because the Housing Authority appoints the voting majority of its ruling Board of Commissioners. The purpose of RHDC is to acquire, develop, and foster the improvement of dwelling units for the benefit of certain qualified recipients.

Any evidences of indebtedness are solely the obligations of the Housing Authority and are not obligations of the Parish of Jefferson or the State of Louisiana.

2. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounts of the Housing Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

All funds of the Housing Authority are classified as proprietary enterprise funds and use the accrual basis of accounting. The accrual basis of accounting recognizes revenues when earned and expenses when incurred. The funds use the economic resources measurement focus. The accounting objectives are determination of change in net assets, net assets and cash flows. All assets and liabilities associated with a proprietary fund's activities are included on its Statement of Net Assets.

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

The Housing Authority applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

3. BUDGETS

The Housing Authority adopted budgets for all funds. The budget for the Capital Fund Program is a multiple-year budget. HUD approves all budgets for HUD funded programs.

4. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest bearing demand deposits. Cash equivalents include short-term investments with maturities of 90 days or less. Under state law, the Housing Authority may deposit funds in interest-bearing demand deposit, money market, or time deposit accounts with state banks organized under Louisiana law and national banks that have their principal offices in Louisiana.

5. INVESTMENTS

Investments are limited by R.S. 33:2955 and the Housing Authority's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments for financial reporting purposes, if the original maturities are 90 days or less, they are classified as cash equivalents.

6. SHORT-TERM INTERFUND RECEIVABLES AND PAYABLES

Transactions between individual funds occur during the course of operations. The receivables and payables resulting from these transactions are classified as "advances to other funds" and "advances from other funds" on the Statement of Net Assets.

7. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items on the Housing Authority's Statement of Net Assets.

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. CAPITAL ASSETS AND DEPRECIATION

Fixed assets are recorded at historical cost and are depreciated over their estimated useful lives. Capital Assets include all items costing over \$500. Estimated useful lives reflect management's estimates of how long the asset is expected to meet service demands. Depreciation expense is recorded using the straight-line method. When assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

Structures and Improvements	40
Automotive Equipment	5
Furniture, Fixtures, and Other Equipment	3-7

9. ACCOUNTS RECEIVABLE FROM TENANTS

Accounts receivable from tenants are stated at net realizable value as required by generally accepted accounting principles. An allowance for doubtful accounts is used in the valuation of accounts receivable from tenants. As of September 30, 2005, the amount of \$1,823 was recorded to the allowance for doubtful accounts from tenants.

10. COMPENSATED ABSENCES

The Housing Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to 300 hours of annual leave, which may be received upon termination or retirement. Sick leave hours accumulate, but the classified employee is not paid for them if not used by his retirement or termination date.

11. NET ASSETS

Restrictions, when appropriate, represent those portions of net assets that are not appropriate for expenses and are legally segregated for a specific future use. There were restrictions of net assets in the amount of \$1,436 as of September 30, 2005 for Capital Fund Project purposes.

12. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2005

NOTE B - CASH AND CASH EQUIVALENTS

The Housing Authority maintains deposit accounts in a national bank. At September 30, 2005 the carrying amount of the Housing Authority's bank deposits was \$1,518,917 and the bank balance was \$2,287,473. The difference was primarily due to outstanding checks. Of the bank balance, \$100,000 was covered by federal depository insurance. In compliance with State laws, the remaining balance of \$2,187,473 was secured by bank owned securities specifically pledged to the Housing Authority and held by an independent custodian bank jointly in the name of the Housing Authority and the depository bank Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodian bank to advertise and sell the pledged securities within 10 days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon demand.

State statutes authorize the Housing Authority to invest in the following types of securities:

1. Fully-collateralized certificates of deposit issued by commercial banks and savings and loan associations located within the State of Louisiana.
2. Direct obligations of the U.S. Government, including such instruments as treasury bills, treasury notes and treasury bonds.
3. Obligations of U.S. Government agencies that are deliverable on the Federal Reserve System.
4. Repurchase agreements in government securities in (2) and (3) above made with the primary dealers that report to and are regulated by the Federal Reserve Bank of New York.

The Housing Authority's short-term investments are stated at cost, which approximates market and have been classified as cash equivalents in accordance with the Housing Authority's policy discussed in Note A. These cash and cash equivalents consist principally of the following as of September 30, 2005:

Money Market Funds	\$ 237,505
Bank Deposits	<u>1,033,788</u>
Cash and Cash Equivalents	<u>\$ 1,271,293</u>

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2005

NOTE B - CASH AND CASH EQUIVALENTS (CONTINUED)

The following schedule summarizes the investment income and its classification in the Statement of Activities for the year ended September 30, 2005:

Interest Income (Money Market Funds)	\$ 4,681
Interest Income (Bank Deposits)	<u>22,354</u>
Total Interest Income	<u>\$ 27,035</u>

All interest income was classified as unrestricted in the Statement of Activities.

NOTE C - RESTRICTED CASH

The Housing Authority maintains restricted cash for the Family Self-Sufficiency Program (FSS Escrow) in a bank account. The National Affordable Housing Act of 1990 created the Family Self-Sufficiency Program. This program mobilizes HUD housing assistance to leverage public and private sector resources that can help residents of public and assisted housing achieve economic independence. In addition, it offers financial incentives to families through the establishment of an escrow account, which becomes available to the family upon successful completion of their Contract of Participation or certain interim goals. At September 30, 2005 restricted cash totaled \$247,624.

NOTE D - CAPITAL ASSETS

Details of the Housing Authority's capital assets balances and current year activity are as follows:

	Balance Oct. 1, 2004	Transfers/ Additions	Transfers/ Deletions	Balance Sept. 30, 2005
Land	\$ 1,546,294	\$ -	\$ -	\$ 1,546,294
Buildings	366,031			366,031
Building Improvements	613,840	339,550	(269,236)	684,154
Furniture and Equipment	64,334	30,529	(15,792)	79,071
Vehicles	19,147			19,147
Subtotals	<u>2,609,646</u>	<u>370,079</u>	<u>(285,028)</u>	<u>2,694,697</u>
Less Accumulated Depreciation	<u>(560,803)</u>	<u>(158,230)</u>	<u>285,028</u>	<u>(434,005)</u>
Capital Assets, Net	<u>\$ 2,048,843</u>	<u>\$ 211,849</u>	<u>\$ -</u>	<u>\$ 2,260,692</u>

Depreciation expense is \$158,230 for the year ended September 30, 2005.

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2005

NOTE E - RETIREMENT PLAN

The Housing Authority has adopted "The Housing-Renewal and Local Agency Retirement Plan" as a participating employer and as a qualified retirement plan under Section 401 (a) of the Internal Revenue Code, with the following specifications and amendments to the plan.

- a. All regular full-time employees are eligible to participate in the Plan after attaining age 18 and completing 12 months of continuous and uninterrupted employment with the Housing Authority.
- b. Employee contributions are four percent (4%) of basic employee compensation. Such contributions and all increments and decrements attributable thereto shall be non-forfeitable.
- c. Employer contributions are ten percent (10%). Participating employees shall vest at the rate of twenty percent (20%) for each full year of continuous employment with the Housing Authority.
- d. The normal retirement date shall be the first day of the month following the participating employee's 60th birthday.
- e. This defined contribution plan is administered by the Housing-Renewal & Local Agency Retirement Plan with the Bank of Louisville and Trust Company, a national investment banking firm; and they have full control of the funds on deposit in accordance with the above terms and conditions of the plan.

The Housing Authority's covered employees' and employer's contributions to this plan totaled \$10,748, and \$26,865, respectively, for the year ended September 30, 2005.

NOTE F - COMPENSATED ABSENCES

As of September 30, 2005, employees of the Housing Authority had accumulated \$19,683 of employee leave benefits. These amounts are recorded in the funds from which payment will be made.

NOTE G - PAYMENT IN LIEU OF PROPERTY TAXES

In accordance with a cooperative agreement with the Parish of Jefferson, the Housing Authority is not required to pay property taxes. Instead, the Housing Authority is required to make payments in lieu of property taxes if and when funds may become available. No payments in lieu of property taxes were required or have been made for the year ended September 30, 2005.

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2005

NOTE H - BOARD OF COMMISSIONERS' COMPENSATION

The members of the Board of Commissioners of the Housing Authority are compensated for serving on the Board as follows: The Chairman receives \$300 per month, the Vice-Chairman receives \$225 per month and all other Commissioners receive \$150 per month.

NOTE I - COMMITMENTS AND CONTINGENCIES

Commitments

The Housing Authority has entered into an administrative contract with the Louisiana Housing Development Corporation (LHDC). LHDC furnishes all materials and services to develop and implement a plan to carryout the ongoing programs under its various HUD Section 8 programs and certain aspects of the Housing Authority owned housing program. The administrative contract expires on September 30, 2008. However, if HUD elects to discontinue the programs, the Housing Authority has the right to terminate the contract.

As compensation for the administrative services rendered, the Housing Authority will pay LHDC ninety percent (90%) for the months October 1, 2004 through September 30, 2008 of the administration income allocated to the Housing Authority as agreed upon in the HUD approved budget as well as 100% of FSS coordinator fees and hard to house fees. Compensation paid under the administrative contract for the year ended September 30, 2005 follows:

Low Rent Public Housing	\$ 31,500
Section 8 Housing Choice Voucher Program	1,131,325
Section 8 New Construction Program	26,883
Section 8 H.A.P. Program - Special Allocations	<u>14,353</u>
Total	<u>\$ 1,204,061</u>

Contingencies

The Housing Authority is subject to possible examinations made by Federal and State authorities who determine compliance with terms, conditions, laws, and regulations governing other grants given to the Authority in the current and prior years. There were no such examinations for the year ended September 30, 2005.

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2005

NOTE J - INTERFUND RECEIVABLES/PAYABLES

The following is a summary of interfund receivables and payables included in the Housing Authority's combined Statement of Net Assets under the captions "Advances to Other Funds" and "Advances from Other Funds" as of September 30, 2005:

	<u>Advance To</u>	<u>Advances From</u>
Low Rent Public Housing	\$ 17,912	\$ 3,621
Capital Fund Program 2001	-	13,393
Capital Fund Program 2002	121	3,447
Section 8 Housing Choice Voucher Program	11,480	1,072
Section 8 New Construction - Concordia Apartments	-	4,500
Section 8 H.A.P Program - Special Allocations - Jefferson Place	-	3,480
	<hr/>	<hr/>
Total	\$ 29,513	\$ 29,513

NOTE K - RISK MANAGEMENT

The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Housing Authority maintains commercial insurance to mitigate these risks.

NOTE L - COMPONENT UNIT DISCLOSURES

During the year ending September 30, 2005, the Housing Authority obtained additional subsidies for the purpose of developing tracts of land to benefit certain qualified recipients. As these funds are used for its intended purpose, revenue will be recognized in that period.

Cash

The Housing Authority maintains deposit accounts in a national bank. At September 30, 2005 the carrying amount of the Housing Authority's bank deposits was \$63,927, and the bank balance was \$64,027. The difference was primarily due to outstanding checks. Of the bank balance, \$64,027 was covered by federal depository insurance which is limited to a maximum of \$100,000.

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2005

NOTE L - COMPONENT UNIT DISCLOSURES (CONTINUED)

Capital Assets

Details of the Housing Authority's capital assets balances and current year activity are as follows:

	<u>Balance Oct. 1, 2004</u>	<u>Transfers/ Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance Sept. 30, 2005</u>
Land	\$ 87,080	\$ -	\$ (28,909)	\$ 58,171
Total	<u>\$ 87,080</u>	<u>\$ -</u>	<u>\$ (28,909)</u>	<u>\$ 58,171</u>

NOTE M - HURRICANE KATRINA

On August 29, 2005, Hurricane Katrina caused catastrophic property damage to Southeast Louisiana. The Housing Authority suffered significant physical damage to its buildings and equipment. The Housing Authority incurred approximately \$230,000 in repair costs. Approximately \$170,000 of that cost is covered by property and casualty insurance.

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2005

NOTE N - SEGMENT INFORMATION

The Housing Authority maintains five (5) HUD funds for the purpose of providing safe and decent housing for low income families and the maintenance of related assets. Selected financial information for business segments of the enterprise fund is presented as follows:

	Low Rent Public Housing 14.850	Housing Choice Voucher Program 14.871	N/CS/R Section 8 Program 14.182	Section 8 Housing Assistance Payment Program Spec. Allocations 14.195	Capital Funds Program 14.872	RHDC	Total
Operating Revenues	\$ 351,156	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 351,156
Federal Grant Income (HUD)	655,128	14,648,859	678,608	344,371	625,905	-	16,952,871
Operating Expenses,							
Excluding Depreciation	923,437	14,502,000	680,371	345,436	356,950	716,160	17,524,354
Depreciation	108,742	-	-	-	49,488	-	158,230
Non-Operating Revenues	4,352	46,537	3,241	1,123	100,257	644,010	799,520
Net Income (Loss)	(21,543)	193,396	1,478	58	319,724	(72,150)	420,963
Fixed Assets Additions	867	-	-	-	369,212	-	370,079
Net Working Capital	375,825	774,509	117,282	12,226	-	64,387	1,344,229
Total Assets	2,213,837	957,556	175,807	98,617	504,718	122,558	4,073,093
Total Fund Equity	2,035,228	665,046	117,282	12,226	487,879	(2,633)	3,315,028

SUPPLEMENTAL INFORMATION

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana
HUD FINANCIAL DATA SCHEDULE - STATEMENT OF NET ASSETS DATA BY FUND
For the Year Ended September 30, 2005

Line Item #	Account Description	Major Funds							Component Unit			
		Conventional Program	Housing Vouchers	CFF 2009	CFF 2001	CFF 2002	CFF 2003	CFF 2004	New Construction Covenants	Jefferson Place	BHDC	TOTAL
ASSETS:												
CURRENT ASSETS:												
Cash												
111	Cash - unrestricted	\$ 215,349	\$ 639,017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 78,307	\$ 98,115	\$ 63,977	\$ 1,097,715
112	Cash - restricted - administration and development	1,456	-	-	12,390	3,326	-	-	-	-	-	18,155
213	Cash - other restricted	-	-	-	-	-	-	-	-	-	-	-
214	Cash - instant security deposits	15,000	-	-	-	-	-	-	-	-	-	15,000
215	Cash - restricted for purposes of current liability	104,245	110,321	-	-	-	-	-	-	-	-	214,469
100	Total Cash	339,053	749,338	-	12,390	3,326	-	-	78,307	98,115	63,977	1,215,339
Accounts and notes receivable:												
121	Accounts receivable - PSA projects	-	-	-	-	-	-	-	-	-	-	-
122	Accounts receivable - HUD	31,915	45,227	-	-	-	-	-	-	-	-	77,042
125	Accounts receivable - miscellaneous	253	11,496	-	-	-	-	-	-	502	460	12,903
126	Accounts receivable - dwelling costs	1,932	-	-	-	-	-	-	-	-	-	1,932
126.1	Allowance for doubtful accounts - dwelling costs	(1,823)	-	-	-	-	-	-	-	-	-	(1,823)
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-	-	-	-	-
127	Notes and mortgages receivable - current	-	-	-	-	-	-	-	-	-	-	-
128	Fraud recovery	-	-	-	-	-	-	-	-	-	-	-
128.1	Allowance for doubtful accounts - Fraud	-	-	-	-	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-	-	-	-	-
130	Total receivables, net of allowance for doubtful accounts	32,197	56,723	-	-	-	-	-	-	502	460	89,954

(Continued)

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana
HUD FINANCIAL DATA SCHEDULE - STATEMENT OF NET ASSETS DATA BY FUND (CONTINUED)
For the Year Ended September 30, 2005

Line Item #	Account Description	Major Funds										Composited Unit	
		Conversion Program	Resolving Vouchers	CFF 2005	CFF 2001	CFF 2003	CFF 2000	CFF 2004	New Construction Construction	Jefferson Parish	RLOC	TOTAL	
Current Investments													
131	Investments - restricted	-	140,000	-	-	-	-	-	97,500	-	-	-	237,500
132	Investments - non-restricted	-	-	-	-	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	51,920	-	-	-	-	-	-	-	-	-	-	51,920
143	Investments	-	-	-	-	-	-	-	-	-	-	-	-
143.1	Allowance for obsolete investments	-	-	-	-	-	-	-	-	-	-	-	-
144	Intergovernment - due from	17,912	11,430	121	-	-	-	-	-	-	-	-	29,513
146	Amounts to be provided	-	-	-	-	-	-	-	-	-	-	-	-
149	TOTAL CURRENT ASSETS	441,824	397,436	13,893	3,647	-	-	174,887	94,637	64,337	-	-	1,794,231
NONCURRENT ASSETS													
Fixed Assets													
161	Land	1,946,094	-	-	-	-	-	-	-	58,171	-	-	1,404,465
162	Buildings	364,001	-	-	-	-	-	-	-	-	-	-	366,031
163	Furniture, equipment & machinery - buildings	-	-	-	-	-	-	-	-	-	-	-	-
164	Furniture, equipment & machinery - administration	41,070	-	744	34,604	13,341	4,438	-	-	-	-	-	98,217
165	Leasehold improvements	205,049	-	14,489	130,784	167,443	163,416	-	-	-	-	-	684,154
166	Accumulated depreciation	(39,435)	-	(2,464)	(34,629)	(2,789)	(2,346)	-	-	-	-	-	(434,064)
169	Total fixed assets, net of accumulated depreciation	1,772,812	-	12,569	130,759	184,823	163,528	-	-	58,171	-	-	2,318,553

(Continued)

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana
HUD FINANCIAL DATA SCHEDULE - STATEMENT OF NET ASSETS DATA BY FUND (CONTINUED)
For the Year Ended September 30, 2005

Line Item #	Account Description	Major Funds										Component Unit
		Conventional Program	Housing Vouchers	CTF 2000	CTF 2001	CTF 2002	CTF 2003	CTF 2004	New Contributions Outside	Jefferson Price	REDC	
171	Notes and mortgages receivable - non-charter	-	-	-	-	-	-	-	-	-	-	-
172	Notes and mortgages receivable - paid due	-	-	-	-	-	-	-	-	-	-	-
174	Other Assets	-	-	-	-	-	-	-	-	-	-	-
175	Unallocated debts	-	-	-	-	-	-	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-	-	-	-	-	-	-
180	TOTAL NONCURRENT ASSETS	1,773,813	-	139,149	12,149	146,033	146,219	146,219	-	-	98,171	2,318,593
189	TOTAL ASSETS	\$ 2,213,837	\$ 977,666	\$ -	\$ 143,163	\$ 16,216	\$ 180,833	\$ 180,278	\$ 175,807	\$ 91,617	\$ 122,558	\$ 4,671,294
LIABILITIES AND EQUITY:												
LIABILITIES												
CURRENT LIABILITIES:												
311	Bank overdraft	-	-	-	-	-	-	-	-	-	-	-
312	Accounts payable < 90 days	22,296	139,421	-	-	-	-	-	10,082	1,113	-	163,943
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-	-	-	-	-
321	Accrued wages/paidroll taxes payable	5,381	86	-	-	-	-	-	-	-	-	5,467
322	Accrued compensated absences - current portion	-	-	-	-	-	-	-	-	-	-	-
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-	-	-	-	-	-
331	Accounts payable - HUD PHA programs	-	59,665	-	-	-	-	-	43,943	81,728	-	176,396
332	Accounts payable - PHA projects	-	-	-	-	-	-	-	-	-	-	-
341	Trust security deposits	15,000	-	-	-	-	-	-	-	-	-	15,000
342	Deferred revenues	-	-	-	-	-	-	-	-	-	-	-
343	Current portion of Long-Term debt - capital projects	-	-	-	-	-	-	-	-	-	-	-

(Continued)

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana
HUD FINANCIAL DATA SCHEDULE - STATEMENT OF NET ASSETS DATA BY FUND (CONTINUED)
For the Year Ended September 30, 2005

Line Item #	Account Description	Major Funds						Component Unit			
		Capital Program	Resolving Vouchers	CFF 2004	CFF 2005	CFF 2006	CFF 2007	New Construction Contracts	Jefferson Plus	RHDC	TOTAL
344	Current portion of Long-Term debt - operating borrowings	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	113,449	109,463	-	-	-	-	-	-	-	222,913
346	Accrued liabilities - other	-	-	-	-	-	-	-	-	-	-
347	Inter-program - due to	3,651	1,072	13,393	3,447	-	-	4,500	3,480	-	25,513
<hr/>											
316	TOTAL CURRENT LIABILITIES	117,100	210,535	13,393	3,447	-	-	8,525	6,960	-	613,191
<hr/>											
NONCURRENT LIABILITIES											
351	Long-term debt, net of current - capital projects	-	-	-	-	-	-	-	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	-	-
353	Noncurrent liabilities - other	-	-	-	-	-	-	-	-	125,191	125,191
354	Accrued non-vested benefits - non current	18,911	772	-	-	-	-	-	-	-	19,683
359	TOTAL NONCURRENT LIABILITIES	18,911	772	-	-	-	-	-	-	125,191	144,874
<hr/>											
360	TOTAL LIABILITIES	136,011	212,510	13,393	3,447	-	-	8,525	6,960	125,191	758,066
<hr/>											
EQUITY:											
<hr/>											
Contributed Capital:											
506.1	Invested in capital assets, net of related debt	1,772,813	-	129,339	12,769	190,023	165,328	-	-	-	2,269,692
<hr/>											
508	Total contributed capital	1,772,813	-	129,339	12,769	190,023	165,328	-	-	-	2,269,692

(Continued)

HOUSING AUTHORITY OF JEFFERSON PARISH

Marrero, Louisiana

HUD FINANCIAL DATA SCHEDULE - STATEMENT OF NET ASSETS DATA BY FUND (CONTINUED)

For the Year Ended September 30, 2005

Line Item #	Account Description	Major Funds								Component Unit	
		Conventional Program	Housing Vouchers	CFF 2009	CFF 2011	CFF 2013	CFF 2014	New Construction Cascoada	Jefferson Parish	RUDC	TOTAL
Reserved fund balance:											
511.1	Restricted net assets	1,436	-	-	-	-	-	-	-	-	1,436
512.1	Unrestricted net assets	264,979	445,046	-	-	-	-	117,282	12,226	(2,433)	1,032,300
510	TOTAL EQUITY	266,415	445,046	-	125,715	12,769	165,332	117,282	12,226	(2,433)	3,215,694
600	TOTAL LIABILITIES AND EQUITY	\$ 2,313,337	\$ 997,556	\$ -	\$ 145,152	\$ 16,516	\$ 165,332	\$ 175,847	\$ 98,077	\$ 121,558	\$ 4,073,094

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana
HUD FINANCIAL DATA SCHEDULE - REVENUES
AND EXPENSES DATA BY FUND
For the Year Ended September 30, 2005

Line Item #	Account Description	Major Funds										Component Unit	
		Conventional Program	Housing Vouchers	CFP 2000	CFP 2001	CFP 2003	CFP 2004	New Construction Concessions	Jefferson Place	RHDC	TOTAL		
REVENUES:													
703	Net tenant rental revenue	\$ 303,167	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 303,167		
704	Tenant revenue - other	47,989	7	-	-	-	-	-	-	-	47,996		
705	Total tenant revenue	351,156	7	-	-	-	-	-	-	-	351,163		
706	HUD FHA grants	635,128	14,643,899	-	17,849	152,696	45,619	40,528	678,608	344,371	16,583,658		
706.1	Capital revenues	-	-	-	15,317	3,219	182,793	167,394	-	-	349,213		
708	Other government grants	-	-	-	-	-	-	-	-	-	643,889		
711	Investment income- unrestricted	4,017	18,654	-	-	-	-	-	3,241	1,123	27,156		
712	Mortgage interest income	-	-	-	-	-	-	-	-	-	-		
713	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-		
714	Rental recovery	-	-	-	-	-	-	-	-	-	-		
715	Other revenue	339	23,876	-	-	-	-	-	-	-	24,215		
716	Gain or loss on the sale of fixed assets	-	-	-	-	-	-	-	-	-	-		
720	Investment income- restricted	-	-	-	-	-	-	-	-	-	-		
700	TOTAL REVENUE	1,010,634	14,673,376	-	33,166	256,172	238,401	246,422	681,849	345,494	18,883,567	644,010	19,527,577

(Continued)

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana
HUD FINANCIAL DATA SCHEDULE - REVENUES
AND EXPENSES DATA BY FUND(CONTINUED)
For the Year Ended September 30, 2005

Line Item #	Account Description	Major Funds							Component Unit			
		Conventional Program	Housing Vouchers	CYP 2006	CYP 2001	CYP 1992	CYP 2000	CYP 2004	New Construction Concessions	Jefferson Poles	RHDC	TOTAL
EXPENSES:												
Administrative												
911	Administrative salaries	176,474	5,014	-	-	22,717	-	-	-	-	-	204,205
912	Auditing fees	14,430	8,821	-	-	-	-	-	5,224	5,124	-	33,609
913	Outside management fees	33,500	1,294,850	-	-	-	-	-	26,803	14,353	-	1,369,506
914	Compensated absences	-	-	-	-	-	-	-	-	-	-	-
915	Employee benefit contributions - administrative	54,637	36	-	-	-	-	-	-	-	-	54,693
916	Other operating - administrative	78,732	217,281	-	17,850	290,236	48,619	40,528	5,219	3,265	716,160	1,354,940
Tenant Services												
921	Tenant services - salaries	-	-	-	-	-	-	-	-	-	-	-
922	Recreation costs	-	-	-	-	-	-	-	-	-	-	-
923	Employee benefit contributions - tenant services	-	-	-	-	-	-	-	-	-	-	-
924	Tenant services - other	25,281	-	-	-	-	-	-	-	-	-	25,281
Utilities												
931	Water	77,967	-	-	-	-	-	-	-	-	-	77,967
932	Electricity	70,133	-	-	-	-	-	-	-	-	-	70,133
933	Gas	88,882	-	-	-	-	-	-	-	-	-	88,882
934	Fuel	-	-	-	-	-	-	-	-	-	-	-
935	Labor	-	-	-	-	-	-	-	-	-	-	-
937	Employee benefit contributions - utilities	-	-	-	-	-	-	-	-	-	-	-
938	Other utilities expense	-	-	-	-	-	-	-	-	-	-	-

(Continued)

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana
HUD FINANCIAL DATA SCHEDULE - REVENUES
AND EXPENSES DATA BY FUND (CONTINUED)
For the Year Ended September 30, 2005

Line Item #	Account Description	Major Funds										Component Unit
		Conventional Program	Housing Vouchers	CFP 1000	CFP 2001	CFP 2002	CFP 2003	CFP 2004	New Construction Concessions	Jefferson Price	RHDC	
	Ordinary maintenance & operation											
941	Ordinary maintenance and operations - labor	107,370	-	-	-	-	-	-	-	-	-	-
942	Ordinary maintenance and operations - materials & other	32,506	-	-	-	-	-	-	-	-	-	107,370
943	Ordinary maintenance and operations - contract costs	31,960	-	-	-	-	-	-	-	-	-	32,506
945	Employee benefit contributions - ordinary maintenance	31,544	-	-	-	-	-	-	-	-	-	31,960
	Protective services											31,544
951	Protective services - labor	-	-	-	-	-	-	-	-	-	-	-
952	Protective services - other contract costs	-	-	-	-	-	-	-	-	-	-	-
953	Protective services - other	-	-	-	-	-	-	-	-	-	-	-
955	Employee benefit contributions - protective services	-	-	-	-	-	-	-	-	-	-	-
	General expenses											
961	Insurance premiums	96,173	-	-	-	-	-	-	-	-	-	96,173
962	Other general expenses	(1,340)	21,346	-	-	-	-	-	-	-	-	19,986
963	Payments in lieu of taxes	-	-	-	-	-	-	-	-	-	-	-
964	Bad debt - various items	3,158	-	-	-	-	-	-	-	-	-	3,158
965	Bad debt - mortgages	-	-	-	-	-	-	-	-	-	-	-
966	Bad debt - other	-	-	-	-	-	-	-	-	-	-	-
967	Interest expense	-	-	-	-	-	-	-	-	-	-	-
968	Services expense	-	-	-	-	-	-	-	-	-	-	-
969	TOTAL OPERATING EXPENSES	952,437	1,500,208	-	17,800	352,993	46,219	40,523	37,238	21,843	716,160	3,606,083
970	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	87,199	13,166,223	-	16,216	2,319	152,793	167,894	644,523	372,602	(71,150)	14,697,464

(Continued)

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana
HUD FINANCIAL DATA SCHEDULE - REVENUES
AND EXPENSES DATA BY FUND (CONTINUED)
For the Year Ended September 30, 2005

Line Item #	Account Description	Major Funds										Comparison	
		Conventional Programs	Housing Vouchers	CYP 2004	CYP 2005	CYP 2006	CYP 2007	CYP 2008	CYP 2009	New Construction Construction	Jefferson Price	8/1/04	TOTAL
971	Extraordinary maintenance	-	-	-	-	-	-	-	-	-	-	-	-
972	Cashier fees - non-capitalized	-	-	-	-	-	-	-	-	-	-	-	-
973	Housing assistance payments	-	13,072,726	-	-	-	-	-	-	644,668	124,119	-	13,991,513
974	Depreciation expense	108,742	-	15,001	26,913	2,219	2,760	2,565	-	-	-	-	158,230
975	Fraud losses	-	-	-	-	-	-	-	-	-	-	-	-
976	Capital outlays - government fund	-	-	-	-	-	-	-	-	-	-	-	-
977	Debt principal payment - governmental funds	-	-	-	-	-	-	-	-	-	-	-	-
978	Dwelling unit rent expense	-	-	-	-	-	-	-	-	-	-	-	-
900	TOTAL EXPENSES	1,032,179	14,572,894	15,001	48,763	255,172	48,379	43,093	881,994	146,561	716,160	716,160	17,755,836
OTHER FINANCING SOURCES													
1001	Operating transfers in	-	-	-	-	-	-	-	-	-	-	-	-
1002	Operating transfers out	-	-	-	-	-	-	-	-	-	-	-	-
1003	Operating transfers from/to primary government	-	-	-	-	-	-	-	-	-	-	-	-
1004	Operating transfers from/to component unit	-	-	-	-	-	-	-	-	-	-	-	-
1005	Proceeds from sales, lease and bonds	-	-	-	-	-	-	-	-	-	-	-	-
1006	Proceeds from property sales	-	-	-	-	-	-	-	-	-	-	-	-
1010	TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-	-	-	-	-
1000	EXCESS (DEFICIENCY) OF TOTAL REVENUES OVER (UNDER) TOTAL EXPENSES	\$ (21,545)	\$ 123,282	\$ (15,011)	\$ (11,997)	\$ 1,000	\$ 180,002	\$ 165,329	\$ (145)	\$ (1,467)	\$ (72,150)	\$ (72,150)	\$ 34,772

(Continued)

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana
HUD FINANCIAL DATA SCHEDULE - REVENUES
AND EXPENSES DATA BY FUND (CONTINUED)
For the Year Ended September 30, 2005

Major Funds												Component	
Line Item #	Account Description	Conventional Program	Housing Voucher	CPF 2000	CPF 2001	CPF 2002	CPF 2003	CPF 2004	New Construction Concordia	Jefferson Place	RIIBC	TOTAL	
MEMO account information													
1101	Capital contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1102	Debt principal payments - enterprise funds	-	-	-	-	-	-	-	-	-	-	-	-
1103	Beginning equity	2,040,190	471,650	60,906	141,356	11,768	-	-	115,804	12,148	69,517	2,894,063	-
1104	Prior period adjustments and equity transfers	45,875	70,094	(45,873)	-	-	-	-	1,623	1,525	-	73,242	-
1105	Changes in compensated absence liability balance (in the GLTDAG)	-	-	-	-	-	-	-	-	-	-	-	-
1106	Changes in contingent liability balance (in the GLTDAG)	-	-	-	-	-	-	-	-	-	-	-	-
1107	Changes in unrecognized prior period transition liability (in the GLTDAG)	-	-	-	-	-	-	-	-	-	-	-	-
1108	Changes in special termination benefit liability (in the GLTDAG)	-	-	-	-	-	-	-	-	-	-	-	-
1109	Changes in allowance for doubtful accounts - dwelling rents	-	-	-	-	-	-	-	-	-	-	-	-
1110	Changes in allowance for doubtful accounts - other	-	-	-	-	-	-	-	-	-	-	-	-
1112	Depreciation "add back"	-	-	-	-	-	-	-	-	-	-	-	-
1113	Maximum annual contributions commitment (per ACC)	-	535,700	-	-	-	-	-	-	-	-	539,700	-
1114	Prior period maximum annual contributions applicable to a period of less than twelve months	-	-	-	-	-	-	-	-	-	-	-	-
1115	Contingency reserve, ACC program reserve	-	50,895	-	-	-	-	-	1,261,034	6,830,321	-	8,141,840	-
1116	Total annual contributions available	-	590,395	-	-	-	-	-	1,261,034	6,830,321	-	8,481,310	-
1120	Unit months available	2,400	32,904	-	-	-	-	-	1,372	924	-	37,800	-
1121	Number of unit months leased	2,316	31,613	-	-	-	-	-	1,304	803	-	35,683	-

NOTE: Some amounts from this financial data schedule have been reclassified for presentation in the basic financial statements.

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana
COMPENSATION PAID TO BOARD MEMBERS
For the Year Ended September 30, 2005

The members of the Board of Commissioners are as follows:

<u>Present Commissioners</u>		<u>Annual Compensation</u>
Forest Lanning	Chairman	\$ 2,400
David Duplantis	Vice Chairman	\$ 2,400
Richard Chiasson		\$ 3,000
Sherman Rogers		\$ 150
Simone Scanio		\$ 1,800
Melvin Simon		\$ 1,800
Mary Snowden		\$ 1,200
Anthony Thomas		\$ 1,050
Craig Trahan		\$ 1,800
<u>Past Commissioners</u>		
Joyce Austin		\$ 450
Joseph Francois		\$ 750
Arleeta Terrell		\$ 1,650

SINGLE AUDIT SECTION

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

CONSULTANTS

A PROFESSIONAL CORPORATION

3501 N. Causeway Blvd. • Suite 810 • P.O. Box 6952 • Metairie, LA 70009
Phone (504) 837-9116 • Fax (504) 837-0123 • E-mail prebowe@rebowe.com

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Housing Authority of Jefferson Parish
Marrero, Louisiana

We have audited the financial statements of the business type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Housing Authority of Jefferson Parish (the "Housing Authority") as of and for the year ended September 30, 2005, which collectively comprise the Housing Authority's basic financial statements and have issued our report thereon dated May 12, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the organization, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Rebove & Company

May 12, 2006

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

CONSULTANTS

A PROFESSIONAL CORPORATION

3501 N. Causeway Blvd. • Suite 810 • P.O. Box 6952 • Metairie, LA 70009
Phone (504) 837-9116 • Fax (504) 837-0123 • E-mail prebowe@rebowe.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Commissioners
Housing Authority of Jefferson Parish
Marrero, Louisiana

Compliance

We have audited the compliance of the Housing Authority Of Jefferson Parish (the "Housing Authority") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2005. The Housing Authority's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on the Housing Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Housing Authority's compliance with those requirements.

In our opinion, the Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2005.

Internal Control Over Compliance

The management of the Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the organization, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Reboue & Company

May 12, 2006

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2005

<u>Federal Grantor Program Title</u>	<u>Federal CDFA No.</u>	<u>Grant ID No.</u>	<u>Federal Expenditures</u>
U.S. Department of Housing And Urban Development			
Direct Programs:			
Low-Income Housing			
Operating Subsidy	14.850	FW-1331	\$ 655,128
Capital Fund Program	14.872	FW-1331	625,905
Section 8 Housing Choice Voucher	14.871	FW-2054	14,648,859
Section 8 New Construction	14.182	FW-2054	678,608
Section 8 HAP Program - Special Allocations - Jefferson Place	14.195	FW-2054	<u>344,371</u>
 Total			 <u>\$16,952,871</u>

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2005

NOTE 1 - GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of federal awards of the Housing Authority reporting entity as defined in Note A to the Housing Authority's financial statements. All federal awards were received directly from HUD.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Housing Authority and is presented on the accrual basis of accounting.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal awards revenues are reported in the Housing Authority's financial statements as follows:

	<u>Revenues</u>
Low Rent Public Housing	\$ 655,128
Capital Fund Program	625,905
Section 8 New Construction Program	678,608
Section 8 HAP Program - Special Allocations - Jefferson Place	344,371
Section 8 Housing Choice Voucher Program	<u>14,648,859</u>
Total	<u>\$16,952,871</u>

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree with amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.

NOTE 5 - FEDERAL AWARDS

In accordance with HUD Notice PIH 98-14, "federal awards" do not include the Housing Authority's operating income from rents or income from investments (or other non-federal sources). In addition, the entire amount of operating subsidy received during the fiscal year is considered to be expended during the fiscal year.

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2005

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the Housing Authority.
2. No reportable conditions in internal control over financial reporting are reported in the *Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance material to the basic financial statements of the Housing Authority, which would be required to be reported in accordance Government Auditing Standards, were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the *Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133*.
5. The auditor's report on compliance for the major federal award programs for the Housing Authority expresses an unqualified opinion on all major federal programs.
6. There were no findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The following programs were identified as major programs:

<u>Name of Federal Program</u>	<u>CFDA</u>
Section 8 Housing Choice Program - Voucher	14.871
Section 8 New Construction	14.182
Section 8 HAP - Housing Assistance Payments	
- Jefferson Place	14.195
Public Housing Capital Fund Program	14.872

(Continued)

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2005

A. SUMMARY OF AUDITOR'S RESULTS (CONTINUED)

8. The threshold for distinguishing Type A and B programs was \$508,586.
9. The Housing Authority qualified as a low-risk auditee.
10. A management letter was not issued for the year ending September 30, 2005.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

There were no findings related to the financial statements for the year ended September 30, 2005.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

There were no findings related to major federal award programs for the year ended September 30, 2005.

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended September 30, 2005

SECTION I FINDINGS - FINANCIAL STATEMENT AUDIT

There were no findings related to the financial statements for the year ended September 30, 2005.

SECTION II FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS

Finding 04-1

Condition: One instance of a construction contract exceeding \$2,000 entered into with contractors and subcontractors that were not in compliance with the requirements of the Davis-Bacon Act. The Act requires all laborers and mechanics employed by contractors and sub contractors who work construction contracts in excess of \$2,000 financed by federal assistance funds must be paid wages no less than those established for the locality of the project by the Department of Labor.

Recommendation: Management should reemphasize the need to comply with the requirements of the Davis-Bacon Act and the DOL regulations.

Current Status: This Finding has been resolved.

SECTION III MANAGEMENT LETTER

Observation 04-1

Condition: Effective for the fiscal year ending September 30, 2005, the Governmental Accounting Standards Board (GASB) has issued Statement No. 40, Deposits and Investment Risk Disclosures - an amendment of GASB Statement No. 3.

Recommendation: Management should become familiar with this new accounting standard.

Current Status: This finding has been resolved.

Observation 04-2

Condition: The Housing Authority's subrecipient, Jefferson Place Apartments, received a disclaimer of opinion on its financial statements for the year ended December 31, 2002. This was due to inadequate records supporting beginning partner's equity, accounts receivable from HUD, and the cost basis of the building and the related accumulated and current year depreciation. The audit report also identified material weaknesses in Jefferson Place Apartments internal controls. During the current fiscal year, we attempted to obtain the most recent audit report from the

HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended September 30, 2005

SECTION III MANAGEMENT LETTER (CONTINUED)

Observation 04-2 (continued)

management of Jefferson Place and were denied our request. The Independent Auditor's for Jefferson Place have yet to release the audit report due to reasons imposed by the management of Jefferson Place. The Executive Director of the Housing Authority has contacted HUD to inform them of our observation concerning this entity. As of this date, HUD has not responded to management's concerns.

Recommendation: We acknowledged that the Housing Authority has little control over the operations of Jefferson Place Apartments and that the Executive Director acted appropriately by notifying HUD. However, we recommend that the Housing Authority emphasize the need for Jefferson Place to strengthen internal controls and accounting practices, and obtain an unqualified opinion on its financial statements.

Current Status: The finding has been resolved. The Housing Authority has emphasized the need for Jefferson Place to strengthen internal controls and accounting practices. The management for Jefferson Place has yet to provide an audit report. However, the Housing Authority has performed its oversight responsibility by attempting to obtain the audit report and by communicating these attempts to HUD.

**HOUSING AUTHORITY OF JEFFERSON PARISH
Marrero, Louisiana
MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended September 30, 2004**

There were no findings for the fiscal year ended September 30, 2005.